

## Information Technology Portfolio Management Policy

Adopted by the Information Services Board (ISB) May 20, 1999.

Effective: May 20, 1999

Amended: April 2002

### Table of Contents

Purpose.....	1
Statutory Authority.....	2
Scope .....	2
Exemptions .....	2
Policy.....	2
Related Standards .....	4
Maintenance.....	4
Definitions .....	4

### Purpose

The purpose of this policy is to establish the agency Information Technology (IT) portfolio as a primary tool to support IT decision-making. An IT portfolio demonstrates the relationships among current and planned investments. The purpose of the IT portfolio is to manage investments in IT as one would manage a portfolio of investments of assets such as real estate or financial instruments (e.g., a stock portfolio). The portfolio enhances the ability of key decision-makers to assess the probable impact of investments on an agency's programs and infrastructure, as well as on the overall state IT infrastructure. These decision-makers include agency executives, Department of Information Services (DIS) management and staff, Information Service Board (ISB) members, the Governor, the Office of Financial Management, and members of the Legislature.

The IT portfolio:

- Demonstrates the agency's allocation of IT resources in support of the agency's mission and programs.
- Documents the linkages among an agency's programs, strategies, and business processes and its use of IT.
- Demonstrates how investments in new projects balance, complement, and strengthen investments already being managed in the portfolio.
- Supports the systematic analysis of alternative IT investments in relation to agency business requirements.
- Facilitates analysis of the risks associated with IT investments and helps ensure that appropriate risk mitigation strategies are adopted.
- Provides a baseline for agency and state-level performance reporting.
- Helps ensure that the state IT infrastructure as a whole, is effectively integrated.

## **Statutory Authority**

The provisions of RCW 43.105.041 detail the powers and duties of the ISB, including the authority to develop statewide or interagency information services and technical policies, standards and procedures.

## **Scope**

This policy applies to all executive and judicial branch agencies and educational institutions, as provided by law, that operate, manage, or use IT services or equipment to support critical state business functions.

## **Exemptions**

None.

## **Policy**

Each agency, regardless of funding sources, unless specifically exempted by the ISB, must do the following. Failure to adhere to these policy requirements may result in the reduction or revocation of an agency's delegated authority.

- 1. Document its investment, acquisition, and use of IT.** The IT portfolio documentation must comply with statutory and policy requirements and provide sufficient detail for effective IT planning and management. For most agencies IT documentation will include:
  - Descriptions of the relationships between the investments in the portfolio
  - Plans relating to current and proposed IT investments in support of the agency mission, strategies, and business processes
  - IT investment analysis and justification documents, including feasibility studies
  - Risk assessment and risk management plans
  - Project plans and project management reports
  - Application documentation and user training materials
  - Hardware, software, network, and facilities inventories
  - Budgetary and financial records and reports, including annual agency IT spending
  - References to the existing Security and Disaster Recovery/Business Resumption plans.

The specific content and format of IT documentation may be determined by the agency. While submission of the summary information, as detailed in the IT Portfolio Management Standards, is required, agencies need not submit supporting documentation to DIS or ISB. Instead it should be maintained by the agency and made available upon request or hyperlinked in the portfolio document. DIS or the

ISB may require an agency to provide additional information to supplement its portfolio.

**2. Conduct an annual update of its IT portfolio in conjunction with the agency planning and budget processes, and make whatever revisions are necessary for the portfolio to continue to reflect the agency's management and use of IT.**

The annual update provides agency executives the opportunity to perform a comprehensive review of IT management and operations, and evaluate the relationship between IT investments, agency strategies and programs, and the agency budget.

Pursuant to RCW 43.105.017(3), agency heads are responsible for the oversight of their respective agency's management and use of IT resources. An annual portfolio update confirmation letter must be included in the agency IT portfolio and submitted to the Board. The confirmation letter indicates completion of the annual review and update of the agency portfolio. The head of each agency must provide certification to the ISB by August 31 of each year that the annual IT Portfolio update has been completed.

**3. As part of the annual update of the IT portfolio, review and update each ongoing level 2 and 3 investment or project, and complete a post-implementation review of any level 2 or 3 investment or project completed since the previous annual update.** Proposed IT applications are initially evaluated in terms of their merits as potential investments of limited public funds and then, if approved, undergo detailed feasibility study, project planning, and risk assessment before the actual development or acquisition of the IT capability. The scope of these analyses must be commensurate with the nature and scope of the proposed investment. Investments that involve significant risk are subject to DIS and/or ISB approval in addition to agency executive approval. Projects are continually monitored until they are completed, with summary information about the status of each project included in the project section of the agency's portfolio.

The purpose of the annual IT investment and project review is to ensure that the actual course of each IT project is evaluated in terms of the original cost and benefit expectations, project plan, and risk assessment. The causes of any deviations from the original plan must be considered, recommendations for avoiding problems with future, similar projects must be prepared, and the results of these reviews must be reflected as updates to sections 4 and 6 of the IT portfolio.

**4. Update its portfolio to reflect IT activity within the department and to support executive decision making within and outside the department.** The following changes should be noted:

- Mission, strategies, programs, business process, and project changes that affect the agency's use of IT or its plans for IT
- IT infrastructure changes

- Significant changes to existing investments/projects

DIS and ISB assessment and approval of agency investment and project proposals will be based primarily on the information included in the agency's IT portfolio and the detailed analyses supporting those major investments and projects. Accordingly, agencies should exercise due diligence in ensuring that their portfolios remain current between annual IT portfolio updates.

## Related Standards

[IT Portfolio Management Standards](#)

## Maintenance

Technological advances and changes in the business requirements of agencies will necessitate periodic revisions to policies, standards, and guidelines. The Department of Information Services is responsible for routine maintenance of these to keep them current. Major policy changes will require the approval of the ISB.

## Definitions

An **investment** is a specific piece of hardware/peripherals or a software application developed at agency expense or acquired from vendors, or any combination of these events, that serves current and future needs of the agency.

A **project** is an investment in progress (developing or unfolding) that has a specific start and finish date.

A **planned or proposed investment** entails the acquisition of a new capability that is identified in general terms, but not yet funded or approved by the authorizing entities.